

UNITED STATES DISTRICT COURT
EASTERN DISTRICT OF WISCONSIN

CLIFFORD PAPER, INC.
600 E Crescent Ave.
Upper Saddle River, NJ 07458

Plaintiff,

Case No. _____

v.

Jury Trial Demanded

QUAD/GRAFICS, INC.
c/o Corporation Service Company, Registered Agent
8040 Excelsior Dr., Suite 400
Madison, WI 53717

COMPLAINT

Defendant.

NOW COMES the Plaintiff, Clifford Paper, Inc., by its attorneys, the Law Firm of Conway, Olejniczak & Jerry, S.C., and as and for its Complaint against the above-named Defendant alleges and shows to the Court as follows:

PARTIES

1. Plaintiff Clifford Paper, Inc. ("Clifford") is a foreign corporation existing under the laws of the State of Delaware, with its principal place of business located at 600 East Crescent Avenue, Upper Saddle River, New Jersey 07458.

2. Defendant Quad/Graphics, Inc. ("Defendant") is a domestic corporation existing under the laws of the State of Wisconsin, with its registered agent located at 8040 Excelsior Drive, Suite 400, Madison, Wisconsin 53717, and its principal place of business located at N61W23044 Harrys Way, Sussex, Wisconsin 53089.

JURISDICTION AND VENUE

3. The previous allegations of the Complaint are incorporated herein by reference.

4. This Court has subject-matter jurisdiction pursuant to 28 U.S.C. § 1332(b) because the parties are citizens of different states and the amount in controversy exceeds seventy-five thousand dollars (\$75,000.00), exclusive of interest and costs.

5. Venue is proper in this judicial district pursuant to 28 U.S.C. § 1391 because Defendant maintains its principal place of business in this judicial district.

6. This Court has personal jurisdiction over Defendant because it maintains its principal place of business within this judicial district.

GENERAL ALLEGATIONS

7. The previous allegations of the Complaint are incorporated herein by reference.

8. Clifford is an independent paper distributor dedicated to the magazine, catalog, book, commercial printing, pre-print advertising, packaging, pulp and specialty paper markets.

9. Clifford sold numerous rolls of Hi-Bulk gloss paper to ANH Merchant, Inc. (“ANH”) on credit. Clifford invoiced ANH approximately \$360,000.00 for the Paper.

10. At ANH’s request, Clifford shipped the paper directly to Quad Graphics – The Rock facility located in The Rock, Georgia (the “Facility”). Upon information and belief, the Facility is a printing operation that contracted to print catalogs for ANH.

11. To date, ANH has not paid Clifford for the paper it purchased from Clifford.

12. In January 2018, ANH announced it would suspend the production of its catalogs. ANH offered, and Clifford agreed, that Clifford would retrieve any unused paper that Clifford sold to ANH (the “Unused Paper”), which Clifford could then re-sell to reduce ANH’s indebtedness to Clifford. Upon information and belief, the value of the Unused Paper is approximately \$250,000.00.

13. Clifford attempted to retrieve the Unused Paper from the Facility, but personnel at the Facility refused Clifford's access to the Unused Paper.

14. On or about February 2, 2018, Defendant provided notice to Clifford of Defendant's intent to sell all paper located at the Facility, including the Unused Paper at a private sale on or after February 15, 2018 (the "Sale Notice").

15. The Sale Notice alleges that Defendant is a secured party to ANH based on a Printing Agreement signed by two wholly unrelated entities in 2009.

16. Defendant has not perfected any alleged security interest in the Unused Paper owned by ANH by filing a UCC-1 Financing Statement in New Hampshire, where ANH is organized.

17. On February 9, 2018, ANH granted Clifford a security interest in the Unused Paper by executing a Security Agreement in favor of Clifford. Clifford perfected that security interest on February 9, 2018.

COUNT I
DECLARATORY JUDGMENT

18. The previous allegations of the Complaint are incorporated herein by reference.

19. Clifford seeks a judgment declaring that Defendant has no security interest in the Unused Paper or; alternatively, a judgment declaring that Clifford's perfected security interest in the Unused Paper is superior to Defendant's interest.

COUNT II
REPLEVIN OF UNUSED PAPER

20. The previous allegations of the Complaint are incorporated herein by reference.

21. Clifford seeks a judgment of replevin directing Defendant to release possession and control of the Unused Paper to Clifford so that Clifford can sell the Unused Paper pursuant to the Uniform Commercial Code.

PRAYER FOR RELIEF

WHEREFORE, Plaintiff requests the following relief:

1. A declaratory judgment that Defendant has no security interest in the Unused Paper or, alternatively, a declaratory judgment that Clifford's security interest in the Unused Paper is superior to any security interest of Defendant in the Unused Paper;
2. A judgement of replevin in favor of Clifford with respect to the Unused Paper; and
3. Such other and further relief as the Court deems just and proper.

PLAINTIFF DEMANDS A TRIAL BY JURY ON ALL CLAIMS SO TRIABLE.

Dated this 12th day of February 2018.

LAW FIRM OF CONWAY, OLEJNICZAK & JERRY, S.C.
Attorneys for Clifford Paper, Inc.

By: s/Michele M. McKinnon

George Burnett
Michele M. McKinnon
Jill J. Ray

POST OFFICE ADDRESS:

231 South Adams Street
Green Bay, WI 54301
P. O. Box 23200
Green Bay, WI 54305-3200
(920) 437-0476
State Bar Nos. 1005964/1041053/1085112